UNITED STATES BANKRUPTCY COURT
FOR THE
DISTRICT OF NEW HAMPSHIRE

In re:	*	
	*	
	*	
Trikeenan Tileworks	*	
Inc. and Trikeenan Holdings, Inc.	*	Chapter 11
And Trikeenan Tileworks, Inc. of	*	Jointly Administered through
New York	*	BK No. 10-13725-JMD
Debtors	*	BK No. 10-13726-JMD
	*	BK No. 10-13727-JMD

Hearing Date: January 26, 2011
Hearing Time: 11:00 a.m.

CREDITOR'S OBJECTION TO DEBTOR'S MOTION
FOR AUTHORITY TO USE CASH COLLATERAL

NOW COMES TD Bank, by and through its counsel, and respectfully objects to the Debtor's motion for authority to use cash collateral, and in support thereof states as follows:

1. On August 30, 2010, the Debtor filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of New Hampshire. On September 3, 2010, this Court ordered that this case be jointly administered with BK No. 10-13726 and BK No. 10-13727.
2. TD Bank holds a first position secured interest in the assets of Trikeenan Tileworks, Inc. As of January 18, 2011 the Debtor owes TD Bank in excess of $230,148.00, arising from a line of credit loan and an equipment loan.
3. According to the Debtor's application, Debtor holds $224,971.00 in cash collateral and inventory valued at approximately $121,633.00.

4. Under Section 363(e) of the Bankruptcy Code, a debtor can use cash collateral over the objection of a secured party only if it can provide "adequate protection" of the secured creditor's interest in the collateral. See 11 U.S.C. §363(e). "Adequate Protection" is intended to safeguard the secured creditor's right to have the value of its secured claim, as it existed on the petition date, secured. See United States Sav. Ass'n v. Timber of Inwood Forest Assocs., 484 U.S. 365, 370 (1988). If adequate protection cannot be provided, use of the collateral must be denied.
5. The Bankruptcy Code does not expressly define "adequate protection," but section 361 states that it may be provided by (a) periodic cash payments, (b) additional or replacement liens, or (c) other relief resulting in the "indubitable equivalent" of the secured creditor's interest in such property. See 11 U.S.C. §361. The Debtor has the burden of proving the issue of adequate protection. See 11 U.S.C. §363(p).
6. Thus, in order for the Debtor to use cash collateral over the secured creditor's objection, the Debtor must meet its burden of proving that the secured creditor's interest in the cash collateral is adequately protected.
7. To provide adequate protection to TD Bank, the Debtor has proposed granting it a continuing replacement lien on post-petition cash collateral to the same extent and in the same priority as existed on August 30, 2010, plus reasonable financial reporting. The Debtor's proposed method of providing adequate protection to TD Bank is insufficient. The cash flow projections attached to Debtor's application reveal that Debtor proposes to use its cash collateral to support its New York operations. Moreover, Debtor has projected revenue of $456,000.00 during this same period of time but has provided woefully little detail of where those receipts are coming from. Debtor's reference to the possibility of being awarded one of

two large jobs is not sufficient to provide any assurance that TD Bank's collateral position will do anything other than decline. The financial information provided is so lacking in detail that it is impossible to determine if the New Hampshire operation is even profitable at this time or that post petition cash collateral will be generated sufficient to protect TD Bank's interest.

8. Elgin Butler, Inc., a competitor in the tile manufacturing business has submitted a plan that calls for TD Bank to be paid a fraction of its secured debt based upon a formula that excludes cash and discounts the value of the other collateral. It also appears that under the plan, the New Hampshire operation will be shut down. As stated above Debtor's cash flow projections reveal that assets are being shifted from New Hampshire to New York, possibly in concert with Elgin Butler's proposal. Under both the Debtor's cash flow projection and Elgin Butler's plan, TD Bank is left without adequate protection.

9. In sum, TD Bank's secured interest in the cash collateral will be severely diminished by allowing the Debtor to use said cash collateral as proposed in its application.

WHEREFORE, TD Bank respectfully requests:

A. That this Court deny the Debtor's Motion for Authority to Use Cash Collateral; and

B. Order any other relief this Court deems fair and just.

Respectfully Submitted,
TD Bank
By its Attorneys,

/s/ Peter G. Shaheen

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing has been filed electronically and served via ECF on the following parties:

Office of the U.S. Trustee
USTPRegion01.MR.ECF@usdoj.gov

Jennifer Rood on behalf of Debtor Trikeenan Tileworks, Inc.
jrood@bernsteinshur.com, mamurphy@bersteinshur.com

Date: January 18, 2011

By: /s/ Peter G. Shaheen
Peter G. Shaheen